

Message Text

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ACTION AF-06

INFO OCT-01 ISO-00 XMB-04 EB-07 OMB-01 TRSE-00 /019 W

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P R 231420Z OCT 75

FM AMEMBASSY NAIROBI

TO USDOC WASHDC PRIORITY

INFO SECSTATE WASHDC 5816

UNCLAS NAIROBI 9285

PASS EXIM BANK

E. O. 11652: N/A

TAGS: BEXP, KE

SUBJ: MAJOR PROJECT: KENYA PIPELINE COMPANY, CONSTRUCTION

1. SUMMARY: THERE WERE SEVEN INTERNATIONAL COMPANIES
SUBMITTING BIDS FOR THE CONSTRUCTION OF THE MOMBASA-
NAIROBI OIL PIPELINE FOR THE KENYA PIPELINE COMPANY.
ONLY ONE AMERICAN FIRM, WILLIAMS BROTHERS OVERSEAS
COMPANY LTD., SUBMITTED A BID. BIDS RANGED FROM 30
TO 50 MILLION DOLLARS. END SUMMARY.

2. THE EMBASSY HAS BEEN ABLE TO OBTAIN THE FOLLOWING
INFORMATION ON BIDS SUBMITTED FOR THE CONSTRUCTION
OF THE MOMBASA-NAIROBI PIPELINE. THE INFORMATION
HAS NOT YET BEEN MADE PUBLIC AND BIDS ARE STILL BEING
EVALUATED. THE BIDS WERE SUBMITTED IN VARIOUS DIFFERENT
CURRENCIES AND ARE REPEATED AS THEY WERE SUBMITTED. THE
TOTAL DOLLAR VALUE OF EACH BID WAS COMPUTED BY THE EMBASSY
AT CURRENT FOREIGN EXCHANGE RATES PREVAILING IN
NAIROBI. (NOTE: ONE KENYA POUND IS 20 SHILLINGS).

THE BIDS WERE AS FOLLOWS:

A. TURRIFF-TAYLOR-SOCEA

POUND STERLING	5,014,980
FRENCH FRANCS	45,982,547
KENYA POUNDS	8,737,928

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TOTALLING US\$	50,040,341
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B. SAIPEM S.P.A.

ITALIAN LIRA	7,670,770,000
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US DOLLARS	19,593,200
KENYA POUNDS	4,755,750
TOTALLING US\$	49,904,847

C. SPIE BATINGNOLLES S.A.

FRENCH FRANCS	75,107,200
US DOLLARS	11,393,923
KENYA POUNDS	7,714,557
TOTALLING US\$	50,240,428

D. MONTUBI S.P.A.

US DOLLARS	36,409,230
KENYA POUNDS	4,703,410
TOTALLING US\$	49,484,047

E. NANNESMANN ROHRBAUAG

DANISH KRONER	89,409,230
KENYA POUNDS	6,859,912
TOTALLING US\$	34,242,075

F. NIPPON KOKAN K.K. (NISSHOI IWAI)

JAPANESE YEN	2,820,000,000
US DOLLARS	21,000,000
TOTALLING US\$	30,460,504

G. WILLIAMS BROS. SUBMITTED ALL OF THEIR BIDS
IN DOLLARS WITH CASH PRICES AND PRICES
UTILIZING DIFFERENT SOURCES OF CREDIT

CASH PRICE	41,512,200
UNITED KINGDOM CREDIT	42,558,300
U.S. CREDIT	41,512,200
COMBINED US/UK CREDIT	42,111,500

3. WHILE THE JAPANESE BID IS THE LOWEST THE EMBASSY HAS
LEARNED THAT IT CONTAINS A CONDITION THAT KENYA PUR-
CHASE A FURTHER 20 MILLION DOLLARS WORTH OF GOODS
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FROM JAPAN. THE JAPANESE FIRM TOLD A POTENTIAL
SUBCONTRACTOR THAT BECAUSE OF TERMS OF FINANCING
AND OTHER CONDITIONS OF THE CONTRACT WILLIAMS
BROTHERS WERE THEIR ONLY REAL COMPETITION. EMBASSY
WILL REPORT ANY FURTHER DEVELOPMENTS.
MARSHALL

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MARSHALL

<< END OF DOCUMENT >>

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